GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA

UNSTARRED QUESTION NO:2805
ANSWERED ON:10.03.2003
TURBO-PROP AIRCRAFT OPERATION
NANDIPAKU VENKATASWAMY

Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether the Government propose to take steps to encourage Turbo-Prop aircraft operation in inaccessible and far flung areas;

(b) if so, the details thereof;

(c) whether any tax incentives and subsidy scheme is being considered to encourage Turbo-Prop aircraft operation; and

(d) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF CIVIL AVIATION (SHRI SHRIPAD YESSO NAIK)

(a), (b), (c) & (d): Government has taken the following steps to encourage Turbo-prop aircraft operation in remote parts of the country, including the North-East region:-

(i) Pricing of Aviation Turbine Fuel (ATF) has been decontrolled with effect from April, 2001.

(ii) ATF sold to Turbo-prop aircraft has been included in the list of `declared goods` thereby the maximum Sales Tax rate for such sale has been restricted to 4%.

(iii) All routes to, from and within the North-East region, Andaman & Nicobar Islands, Lakshadweep and Leh have been exempted from the levy of Inland Air Travel Tax.

(iv) Alliance Air has inducted four ATR 42-320 Turbo-Prop aircraft (48 seater) on dry lease for a period of 5 years for exclusive operations in and to/from the North East to improve air connectivity. The financial assistance of Rs. 35 crores per annum by way of Budgetary grant from the Department of Development of North East Region (DONER)/North Eastern Council (NEC) is being provided to Alliance Air.